

# **SOCIALIST STUDIES**

**NO.12**

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THE SOCIALIST PARTY OF GREAT  
BRITAIN**

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Woodside Park Road, London N12 8SB**

## THE SOCIALIST PARTY OF GREAT BRITAIN

### OBJECT

*The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.*

### DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...  
The Socialist Party of Great Britain,  
71 Ashbourne Court, Woodside Park Road, London N12 8SB

## CURRENT POLICIES OF LIBERALS

Every party wants to put its best foot forward, to be appealing, and make its case as desirable as possible. It is surprising therefore to read in Michael Meadowcroft's **The Case for the Liberal Party**, that the "*comfortably off*" are "*to forgo a measure of comfort*" in order that we may all survive with as little ecological damage as possible. The "*comfortably off*" are not defined, are they the capitalists only? the higher paid workers? everyone in the advanced countries? It sounds very like wage restraint with a green cloak on. The basic case against capitalism is that it is a fetter, a hindrance, to social production. That wealth is only created to make profits instead of satisfying human needs. Within Socialism we foresee a vast increase in the amount of social wealth produced and the amount of useful work carried out. The capitalists will and do have regard to 'ecology' in so far as it affects their profits. Where profitability is threatened they will take appropriate measures to safeguard their interests if it means cleaning up air or water etc. At the moment it is *their* planet and they will decide; the Socialist position is that the planet should belong to the whole of society and that its resources be used wisely for the good of society.

*"The Liberals believe that the economy exists for the betterment of society"* (**Here We Stand**. Liberal Leaflet) This shows a lack of understanding about the way the capitalist economy has to run i.e. *at a profit*. If profit is not to be made then production is curtailed or stopped, and workers are made unemployed or put on short time. That is the reality of capitalism. Workers are better off when capitalism is expanding and profits are to be made.

The nineteenth century Liberals certainly believed in laissez faire capitalism, but now they reject "*the idea of a 'free market' which is above social and political consideration.*" (*Here We Stand*) Are the late 20th century Liberals really old fashioned Tories after all? As a social system of production capitalism demands a free market with the weaker producers going to the wall. Current political talk of Europe is about a market where members of the club have access to markets in other countries without (in theory) political interference, tariffs etc. Governments can and do interfere with the "free market" to protect or promote indigenous industries if they see such a step as in the 'national interests'. There never has been a completely 'free market' with no tariffs, customs duties etc. even in the Liberal's heyday. Their policy on the free market means no change to the reality of capitalism.

The Liberals want a *national minimum wage* and so do the Labour Party. This surely would be interference in the "free market" of employer and employee? Parliament can of course pass whatever legislation it wants to including minimum wage legislation as it has done in the past. But as experience shows the nett result of such legislation is that the smaller employers either ignore it or if forced to comply, the 'job' disappears, and the low paid worker is made unemployed. Legislation is one thing, enforcement is another. The larger capitalist employers tend to pay higher wages (above any minimum) because they want the best workers and they are unlikely to be affected by any such legislation.

The Liberals also want various tax reforms among which they call for a "*Land Value Tax*". This is not a new idea and was advocated by Proudhon and others over 100 years ago. The idea of transferring some or all of the landowner's wealth by creeping taxation was



dealt with by Engels in **The Housing Question** very well. Basically if ownership of land is to be taxed to the extent of the landowner being unable to derive rent from it then capital will flow into some other field where there is a profit to be made. The SPGB has always argued that the final burden of taxation, being a levy on property, must fall on the property owners, ie. the capitalist class. Tinkering with the taxation system will lead to nothing for the working class although it is of course of vital concern to the various sections of the capitalist class including the landed section.

Like all the other parties the Liberals do not like *unemployment*. They propose to take "*Positive action*" against it. They need not waste their time. Any such action is doomed. Unemployment is natural to capitalism, and the level is determined by the economic conditions of capitalism, and **not** by actions or inactions of governments. If individual capitalists see the prospect of making profit by employing more people then they will advertise for them, but if they see no prospect of making profit then production is curtailed or stopped. Look at the coal mining industry in Britain today, it is hardly a shadow of its former self. In 1910 (under a Liberal government) it was producing some 264m tons per year. By 1985 this had dropped to 90.8 m tons. The number of miners has gone from over 2 million to under 154,600 in that time. Since 1985 it has declined considerably further with increased foreign competition.

It is true that governments and local authorities can and do employ labour direct for their purposes, but we can be sure that the capitalists as the paymasters, keep a close watch on what they see as 'unnecessary expenditure', and *if* governments had this power to spend money creating jobs to end unemployment, why is it still a problem? A subsidy to a particular industry by a government must be at the

expense of the other profitable industries. The total amount of social purchasing power is unaffected by subsidies. The reality is that the capitalists would love to have the workers out at work producing profits for them rather than having to pay out social welfare benefits to keep them alive in between jobs. The capitalists are the experts when it comes to knowing where profit can be realised.

The Liberals say that unemployment is being used as a tool against inflation. This shows a confusion about both. Unemployment is natural and unavoidable under capitalism. Even in the post war 'boom' years from 1945 to 1970 there was a rate of unemployment of about 2% to 3% or about 300,000 unemployed. During this time inflation was going on and prices including wages were increasing year by year. Inflation as the last Liberal government certainly knew, is caused by the excess issue of notes and coin, and it was the Lloyd George government which brought down prices and wages by burning hundreds of millions of notes in the early 1920s. We must ask if the workers were any better off then with deflation than with inflation, and the answer must be no they were not. Inflation can exist and has existed with relatively full employment or with recession, it is a monetary phenomenon caused by governments issuing excess amounts of inconvertible paper notes and coin. Whatever the price level, it is up to the workers to ensure that they get the best possible price for their labour power. In the last 150 years or so workers have gradually been able to improve their standard of living largely through the action of the unions, and through the fact that more wealth has been produced overall as production techniques have improved. There is a bigger cake to fight over. Inflation as such has not held the workers' pay in check. Since the war wage increases have exceeded inflation nearly every year.

The Liberals boast Keynes as one of their famous supporters yet Keynes was the man who dismissed Marx's **Capital** as being totally erroneous and obsolete and yet Marx understood inflation whereas Keynes did not. Since the war every government has pursued a Keynesian inflation policy and yet it did not stop unemployment going up from the mid 1970s to something around 3 million in the 1990s. It was Keynes too who held the theory (called the mystical school of banking by Professor Cannan) that bank deposits are not created by depositors but "*arise out of the action of the banks themselves... by granting loans*" (Macmillan Committee Report 1931 para 4) If banks have this magical power of creating deposits by lending money, you wonder why any bank ever goes bankrupt, or for that matter why all the capitalists bother with factories and things like that if wealth can be created by issuing a loan! Yet the 'great' man Keynes believed this.

The Liberals say the cornerstone of "*Liberalism is our belief in the value of men and women as individuals*". They are no different from the others in this. Keir Hardie the first chairman of the Labour Party wanted "*the evolution of that form of state which will give the individual the fullest and freest room for expansion and development*". What Liberal would disagree with that? The Conservatives too care for the individual, according to John Boyd-Carpenter "*above all the spirit of conservatism is to be found in the party's policy towards the individual.....They believe in liberty, not as a dogma, but in the truest sense, a working principle*" (**The Conservative Case**) Again would the Liberals disagree? Liberals want each citizen to possess "*liberty, property and security, and none shall be enslaved by poverty ignorance or conformity*". The reality of Liberal governments rather dilutes such high sounding phrases. Their liberty is the liberty of the capitalist to exploit the worker, and

the liberty of the worker to choose his own employer. The right to own property is very much tempered by the amount of property that the individual can gain access to. Everyone has the right to be a millionaire, but not everyone is. The security of the Liberal is the knowledge that the capitalist system is well entrenched both in ideas, and with the back up of the forces of the state if necessary.

The Liberal Party is a party that stands for the **reform** of capitalism, it is not revolutionary and never has been. If all the reforms that the Liberal Party had ever advocated were enacted it would not make one jot of difference to the basic position of the working class, in other words we would still have capitalism with all its attendant problems. Any other party, including Labour and Tory etc. perhaps with different demands and reforms, would be no different. A party that sets out with the reform of capitalism in mind will never come anywhere near socialism, and will only confuse the workers.

### **NO COMPROMISE, NO REFORM**

The SPGB will not barter its independence for promises of reform. For no matter whether these promises are made sincerely or not, we know that the immediate need of the working class is freedom from exploitation, which can only be achieved through the establishment of Socialism. The workers' interests under capitalism are opposed to those of all sections of the capitalist class. Whether bankers or industrialists, landlords or commercial magnates, all capitalist participate in the fruits of exploitation. For the party of the working class, one course alone is open: unceasing hostility to all parties that lend their aid to the administration of the capitalist social system and thus contribute, consciously or otherwise, to its maintenance.



## INTEREST RATES AND WHAT DETERMINES THEM

Thousands of companies and millions of individuals are concerned with whether interest rates are high or low, among them the banks and building societies and house buyers borrowing on mortgages. Anyone who judges the situation only on press and other publicity might suppose that the whole population wants interest rates to be as low as possible; which is of course absurd. It is only the borrowers who look at it from that angle; the lenders want interest rates to be high not low. **The Times** (13th October 1993) was reminded of this by a reader who said that interest provided him with his income and if the Tory Conference got its way with a reduction of interest rates he would end his membership of that party.

For the banks and building societies it is a two way operation: they can only make loans to the extent that they can get depositors to lend to them. The rate of interest they charge to borrowers depends on the rates they have to pay to attract deposits. Historically it was not always the bankers having to pay interest to depositors. In the early days, anyone possessing a large quantity of cash was under such risk of having it stolen that he would deposit it in a bank and pay interest to the bank for the security provided.

Banks do not always make a profit on their loans because the borrowers sometimes default on repayment. In recent years bank loans to some developing countries have resulted in heavy losses. Mortgage loans are to some extent protected against loss because the bank or building society may take possession of the property. The degree of risk on a loan affects the interest charged. Interest rates

are also affected by rising and falling prices, the lender being adversely affected by inflation. Take for example the loan of £1,000 for one year at 10%. If prices rise to the extent that the £1,100 received by the lender after one year will only buy as much as £1,000 would have bought when the loan was made, he will in effect have lent his money for nothing. So interest rates tend to rise during extended periods of inflation.

This has given rise to the mistaken idea held by some economists, that it is the rise of interest rates that is the cause of the general rise of prices. These are the economists who have lost the knowledge, possessed by the 19th century monetary authorities, that it is putting an excess of notes and coin into circulation that causes an inflationary rise of prices.

Changes of interest rates are publicised in the form of Bank of England announcements of movements up or down of its minimum lending rate. It must not be supposed however, that these minimum lending rates represent the interest rates actually paid by borrowers. The great majority of loans made by banks and building societies are at interest rates well above the Bank of England minimum lending rate at the time the loan is made. Then there are the high interest rates charged by lenders other than the banks and building societies. A *Financial Times* article (16th September 1991) quoted an estimate that there are three million people on low incomes who rely on small, short term loans from licensed money lenders, at very high interest rates ranging between annual rates of 300% and 400%. There are also unlicensed lenders, often using force, said to be extracting interest at annual rates of up to 1000% on short term loans. Many individuals and business organisations imagine that the banks or the government can fix interest rates at whatever level they

choose. For example in 1986 the Confederation of British Industry called on the government to reduce interest by 1.5% (*The Times* 30th April 1986), and in March 1994 the British Retail Consortium, representing retailers, "*repeated its call for the government to cut interest rates again and give consumer spending and added boost*" (*The Times* 17th March 1994). Promising lower interest rates naturally finds a place in the election programmes of the opposition parties since they habitually blame the government for high rates.

Under the Tory government 1951 to 1964 Bank rate went up to 7%-- a post war record. So the Labour Party promised "*to end the present government's doctrinaire policy of high interest rates*". However under the Wilson Labour government 1964 to 1970 it went up to 8% and mortgage holders never saw the 3% mortgage rate promised in rash moment by Lord George Brown. Under the Tory government in 1980, in spite of an earlier Tory promise of lower rates, Bank rate went up to 17%.

Interest rates are the result of the pressure to borrow on the one hand and the ability and willingness to lend on the other. They are no more determined by the government or the banks than weather conditions are determined by weather forecasters. Weather forecasters look at recent and current weather factors and try to estimate what the weather will be a short time ahead. They sometimes get it wrong. Financial authorities in banks and governments study recent and current market conditions affecting lending and borrowing and try to estimate whether interest rates will rise or fall. They sometimes too get it wrong. Karl Marx correctly summed up the situation when he wrote: "**The relation between the supply of loanable capital on the one side and the demand for it on the other, determines at any time the market level of interest**". (*Capital* Vol 3 P430 Kerr edition).

## CAPITALISM AND WAR

Universal free trade was seen by its 19th century proponents Cobden and Bright, and to some extent Gladstone, as a means to enable all the world's buyers and sellers to co-operate and avoid war. Other writers like J. Paine believed war to be the result of dynastic politics, a hangover from feudalism. The Philosopher Kant even believed the exercise of reason would end war. Cobden himself asserted that governments cause war, not buyers and sellers who abhor the disruption which is caused when war takes place. Present day followers of the so called Manchester School like for example the anarchists of the Libertarian Alliance, believe that a world market without any governments would create a hidden band of harmony and peace.

The problem with this free trade viewpoint was that it assumed that the spread of capitalism would result in the world being covered by relatively small producers and traders. If that had been the case, what was said about the avoidance of war would have had a degree of truth. But capitalism did not halt at this stage. First in Britain, then France, Germany, USA. etc. competition destroyed small traders in favour of larger ones. In his book **Marxist Economic Theory**, E. Mandel showed that the number of firms in the U.S. car industry decreased from 265 in 1909 to 6 in 1955; in Britain the number fell from 88 in 1922 to 20 in 1956. The first trust in the strict sense was Standard Oil formed in the USA. in 1884. Marx had already anticipated this tendency. As larger capitalists grow, they take over or merge with smaller capitalists. In **Capital** Vol 1 Marx writes of how concentration takes place through "*expropriation of capitalist by capitalist*" and of the "*transformation of many small*



*firms into few large capitals"* (P. 686 Kerr edition). The 'free market' also showed that it was not self adjusting since the state had to pass laws to break up trusts, cartels, price rigging and pools.

Yet the large and powerful companies which developed contained within themselves the urgent need for raw materials, access to markets, and protection from competitors, thus the need for colonial possessions and war. Trade routes and strategic points needed to be protected, or gained by conquest. From the Crimean war up to the present, the continuing shifts in expansion and consolidation between nation states has eclipsed the dreams of a peaceful free trade Utopia. It is interesting to note how by the 1870's the real world prised Gladstone away from Cobden's free trade ideal in relation to Turkey and British capitalism's interests in the Balkans. He justified his shift thus:

*"What is called the Manchester School has never ruled the foreign policy of this country.... It is not only a respectable, it is even a noble error.... But however deplorable wars may, be they are among the necessities of our condition..."*

**(Political Speeches, Vol 12, 1879).**

The point was put in its proper perspective by Professor Cannan in 1915 during the first world war:

*"Commercial interests seem to me to appear in international quarrels simply as a cover for strategic interests. Where there are not supposed to be divergent strategic interests; no amount of divergent or supposedly divergent commercial interests produces either war or preparations of war."* (**An Economist's Protest** p. 26)

The most frequent cause of conflict and war then, is the effort of national sections of capitalists to obtain control of needed overseas

sources of raw and other materials, fuel etc. and to protect the transport routes to these. L.B. Boudin made the point in his book **Socialism and War** that if someone sells a dam or a railroad to a foreign country "...the flag becomes a matter of utmost importance."

If we take for example one commodity oil. All this century oil products have been of vital importance. It has not been competition by oil producing countries to sell their oil that has threatened or resulted in war, but the importing countries need to have a constant supply of oil. In 1983 the USA. said it would take military action if the Middle East oil producing countries organised an embargo on exports to the USA. and to Europe. The Gulf War in 1990 again illustrates this point. History then has been on the side of the Socialist analysis of capitalism as a dynamic changing system of productive anarchy. We are correct to conclude that capitalism causes modern wars. As for the notion that free trade would end war, we leave the last word to Marx:

*"They all want competition without the pernicious effects of competition. They all want the impossible, namely, the conditions of bourgeois existence without the necessary consequences of those conditions. None of them understands that the bourgeois form of production is historical and transitory, just as the feudal form was. This mistake arises from the fact that the bourgeois man is to them the only possible basis of every society; they cannot imagine a society in which men have ceased to be bourgeois.*

( Letter from Marx to Annenkov, Dec. 1846).

## A BRIEF MARXIAN OUTLINE OF CAPITALIST PRODUCTION

The economic basis which gives rise to rent, interest and profit and all forms of investment, commences with the production of wealth itself. Wealth is the sum of useful articles and services existing in any form of society and it is created by the application of social labour to the materials supplied by nature. Under capitalism wealth assumes the commodity form ie. useful articles produced for sale. These articles contain both use value and exchange value. Use value (the physical properties and qualities) requires that an article must be capable of satisfying the specific need of the user. Exchange value (or value), means that commodities contain a certain quantity of society's time which is embedded in their production. This social time is described as socially necessary labour and it represents the time and materials involved in their production, and consequently their reproduction. For example a commodity containing say 50 hours of socially necessary labour would have an equal exchange value with a different commodity also containing 50 hours of socially necessary labour or with two different commodities each containing 25 hours labour and so on. The amount of socially necessary labour contained in a commodity is the basis for calculating the value of the commodity, and necessary labour is the measure of value. This is the structural basis of the value form which in its fully developed form appears to us as the money form.

Money has developed as the representative of the amount of socially necessary labour (**value**) embodied in a commodity. Money is the universal equivalent expressing different values. Value is the cause of price. Socially necessary labour arises and is the result of the ex-

penditure of the labour power of society by the working population, that is the working class. Up to a point **Labour power** is a commodity like others (see **Socialist Studies** No.11). It has a value (wages) which is determined by the average labour time necessary for its production and consequently its reproduction. Simply the wage of the labourer is the value of the means necessary to maintain him or her and their family at a particular living standard, according to their position in the labour market, (unskilled, skilled, professional). Tradition also plays a part in determining the value of labour power.

Wages may rise or fall according to the conditions of the market i.e. supply and demand and also by the action of trade unions. In addition the value of labour power can rise and fall. Average wages have certainly risen this century. Today workers have access to more products than ever before in addition to their basic needs of clothing, food and housing.

Labour power is a commodity but it is distinct from all other commodities in that it produces more wealth than it costs to reproduce itself. It produces a surplus product or **surplus value** which is the genesis of all capitalist exploitation, whatever its form. Surplus value is extracted socially from the labour power of society by the repetitive process of exploitation carried on by the capitalists using the **capital** of society. (For fuller treatment see **Socialist Studies** No.3)

This brings us to capital itself. All capital is divided into constant capital (the value of the means of production) and variable capital or value of labour power (the sum total of wages). Technically all capital in the process of production is divided into the means of produc-



tion and living labour power. The growth of capital involves the growth of its variable part ie, the amount invested in labour power. Surplus value is only produced by variable capital; machines however sophisticated do not produce surplus value. All advanced technologies: computerised systems of automation, machines and tools of all kind are inanimate objects which wear out and have to be produced, maintained and reproduced constantly by human labour power. Machines cannot produce more value than that contained within themselves. They gradually transfer their value to the products during their working lives in the productive process.

Part of the surplus value is always turned back into the wages fund (ie. variable capital) and thus expands the basis for further exploitation and production of more surplus value. In this way only can capitalist accumulation take place and capital expand.

## **WHAT SOCIALISM MEANS**

Socialism is the only system within which the problems which now face workers can be solved; but what will it be like? Socialism is a system in which the means for producing and distributing wealth will be owned by society as a whole. Under capitalism the land, factories, offices, mines, railways and other instruments of production and distribution are monopolised by a section of society only, who thus form a privileged class. Socialism will end this, for with the means of life owned in common by the entire community, it will be a classless society in which the exploitation and oppression of man by man will have been abolished. All human beings will be social equals, freely able to co-operate in social affairs.

## SOCIALISM: UTOPIAN OR SCIENTIFIC

Capitalism is characterised by men and women's mental and physical ability to work having become a commodity possessing both a use value and an exchange value. Socialism, on the other hand, is characterised by three revolutionary ideas: 1) The political establishment of Socialism by a class conscious socialist majority; 2) The abolition of the wages system, and ; 3) Social production and distribution taking place without buying or selling. Socialism has yet to be established anywhere in the world; it has never existed in any country to date including China, Cuba or what was once the USSR.

As Socialism does not yet exist the SPGB has often been described as idealist or utopian. This is misleading because like Marx and Engels, we draw a strict line between utopian and scientific Socialism. The bundle of ideas which constitute socialist thought has a direct inter-relationship with political action and class struggle. Theory informs practice and practice informs theory. They cannot be separated into distinct areas of activity. This is because ideas do not spring from nowhere. Socialist ideas spring from the conflict between the relations of production and the forces of production, and are consciously reflected in the minds of socialists.

Socialists are not mechanical or deterministic. Far from it. Ideas by themselves change nothing, people are required to act on them. The class struggle is undertaken by men and women as a result of the conditions of capitalism. In the struggle for Socialism it is the working class who have to make history by bringing Socialism about. Without capitalism, Socialism would not be possible. Men and

women cannot act just how and when they like. As Marx put it , they must use the materials that are at hand to achieve the socialist objective. The political programme must be both practical and have regard to past errors.

This scientific awareness of capitalism and the class struggle is at odds with utopian speculation. The utopian socialists, St Simon, Fourier and Owen, all believed that social problems could be solved simply by the exercise of reason or appeal to justice. The critique of capitalism by the utopians was moral rather than historical and economic. They attempted to create a perfect social system without reference to time and place and to uncritically transpose their abstract ideas upon society. Model experiments were proposed and ideal communities or housing schemes planned. All these detailed schemes failed the more they touched upon the the social reality of capitalism. Colonies and communes were corroded under the pressure of class relations and political power. The ideal plans of the utopians became the more naive and banal with the passing of each successive decade. The utopian frame of mind which saw Socialism and capitalism in terms of Good and Evil took a Biblical tint, the force of light versus the force of darkness. Utopias were created as a Messianic hope of salvation from contemporary problems and social discomfort.

Each utopian believed he and only he had the solution for social problems. Engels in **Socialism Utopian and Scientific** pointed out this defect in utopian thought:

*"....all this absolute truth , reason and justice are different with the founder of each different school. And as each one's special kind of absolute truth, reason and justice is... conditioned by his subjective understanding, his conditions of existence, the measure of his*

*knowledge and his intellectual training there is no other ending possible in this conflict of absolute truths than they shall be mutually exclusive one of the other"* In short there were as many Utopias as utopians.

Engels went on to remark how little the Utopias reflected the real world. They "*...excite a minimum of opposition*", and because they were the works of one man or group they died with them. For Socialism to be practical, to cause political 'opposition' within the capitalist class, it had first to be placed upon a real basis. Socialism had to become scientific. To do this it required two important theoretical insights by Karl Marx: a theory of history and class struggle and a theory of value (and surplus value). Socialism, if it meant anything practical, had to be the outcome of the conflict between the two historically formed social classes: the working class and the capitalist class. Rejecting utopian speculation, Marx and Engels examined the historical and economic framework in which classes and class conflict arose and then discovered within capitalism itself the economic conditions to resolve this conflict.

With this knowledge practical political action by workers could realistically transform society. Socialism is made possible by a) a working class brought into existence by capitalism, with a unifying class interest in establishing Socialism; b) social production with workers co-operating at all levels of production; c) a vast increase in the means of producing wealth and in its future potential for so doing. A central element in this practical Socialism is the role of the SPGB, which exists not only to propagate Socialist ideas but to act as the political force to establish Socialism. Capitalism can never be made to work in working class interests and to solve the social problems workers will have to politically struggle for Socialism.



through a socialist party. Political action is necessary because the accepted institution of private property is protected by the State using the machinery of government for mental and physical coercion. The capitalist class will not cede their ownership and control over the means of production and distribution by appeals to philanthropy or to reasoned arguments.

The practical question of how to do this is quite straightforward, and it is here that we depart from the utopians. First there is the need for a principled socialist party with a single Socialist objective. Second there has to be a Socialist majority within capitalism, understanding and actively desiring Socialism. Third Socialist voters need to send Socialist delegates to Parliament to establish a majority there. Fourth this majority can take control of the machinery of government to ensure the smooth transformation of capitalism into Socialism by dispossessing the capitalist class and converting the means of production into common ownership. Once this has been completed the SPGB's task will have been achieved; classes will no longer exist and the machinery of government will be dismantled. There will be no custodian of private property (State) in Socialist society.

The whole process of establishing Socialism will be a democratic one where the means are essential to achieve the end. Without the process of Party, Parliamentary action and Socialist control of the machinery of government, any talk of Socialism is utopian. It is because the SPGB has a political programme which will affect the real social world in a revolutionary way, that we 'excite' the maximum of opposition from the political agents of the ruling class.

## MARX ON THE CRIMINAL

A philosopher produces ideas, a poet poems, a clergyman sermons... A criminal produces crimes. If we look a little closer at the connection between this latter branch of production and society as a whole, we shall rid ourselves of many prejudices. The criminal produces not only crimes but also criminal law, and with this also the professor who gives lectures on criminal law, and in addition to this the inevitable compendium in which the same professor throws his lectures onto the general market as "commodities"... The criminal moreover produces the whole of the police and of criminal justice, constables, judges, hangmen, juries, etc.; and all these different lines of business, which form equally many categories of the social division of labour, develop different capacities of the human spirit, create new needs and new ways of satisfying them. Torture alone has given rise to the most ingenious mechanical inventions, and employed many honourable craftsmen in the production of its instruments....

The effects of the criminal on the development of productive power can be shown in detail. Would locks ever have reached their present degree of excellence had there been no thieves? Would the making of banknotes have reached its present perfection had there been no forgers?... Doesn't practical chemistry owe just as much to adulteration of commodities and the efforts to show it up as to the honest zeal for production.

(Theories of Surplus Value Vol 1 p. 387-388 Moscow Edition)

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### THE SOCIALIST PARTY OF GREAT BRITAIN

#### NORTH WEST LONDON BRANCH

Secretary C. May, 71 Ashbourne Court, Woodside Park Road,  
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Those wishing to find out more about the Party and its activities  
should contact the Secretary.

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11 a.m. Reception

11.30 - 1.30 Speakers: J. D'Arcy  
C. May

1.30 - 2.30 Buffet Lunch

2.30-4.30 Speaker: E. Hardy

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